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Volume 9

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
January 1965

Number 6

Released Pursuant to §1090.27(j) and §1090.85, USDA-AMS

Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411

J. B. McCroskey, Market Administrator

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MAR 4 - 1965

PRODUCER MILK BASES - 1965

Federal Order milk bases for producers will be announced by February 28, 1965. Milk Bases were established during September 1964 thru January 1965. These bases are to be used for calculating payment to producers for milk deliveries during March thru July 1965. If you do not receive your Milk Base Notice soon after March 1, 1965, please notify the Market Administrator.

MARKET SUMMARY JANUARY 1965

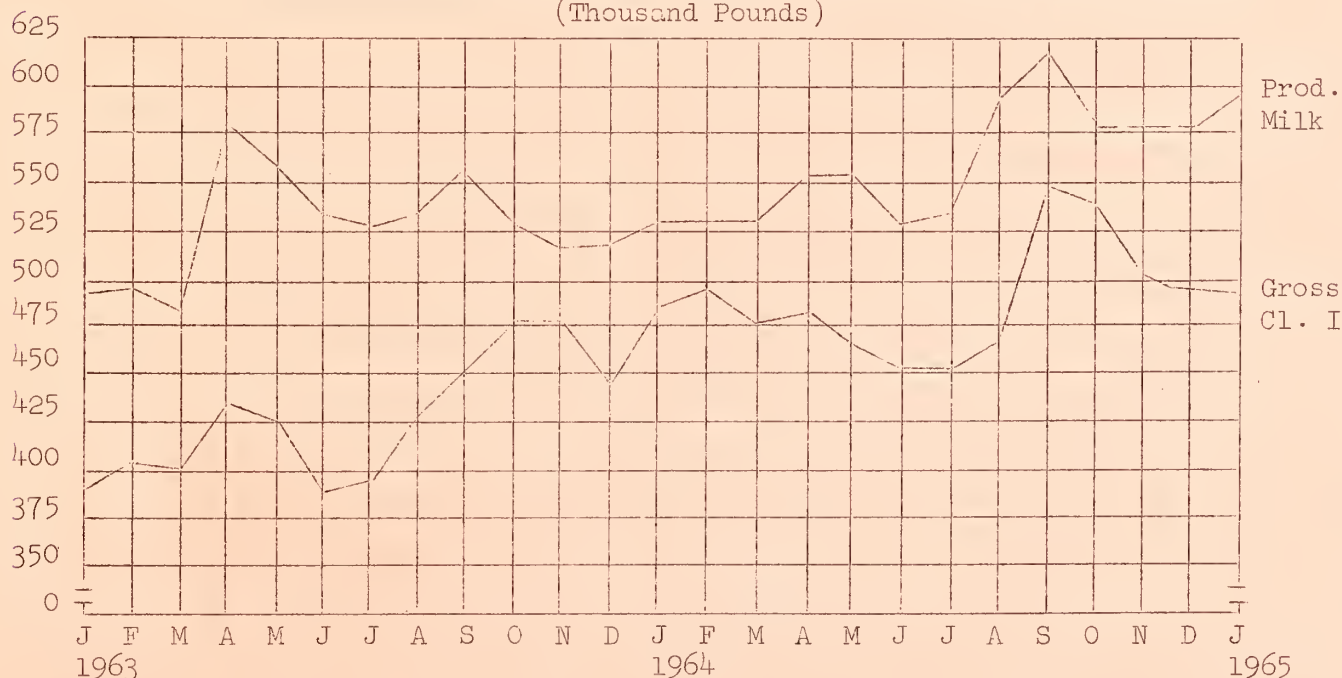
The Federal Order MINIMUM uniform producer price is \$4.66 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 7.4 cents for each one-tenth of one percent above or below 3.5 percent. (It is reported Chattanooga Area Milk Producers Association will pay a blend price of \$4.91 for milk testing 3.5 percent).

During January, 82.0% of the total producer milk was priced in Class I at \$5.06 per cwt. with a butterfat differential of 7.7 cents and 18.0% in Class II at \$3.12 per cwt. with a butterfat differential of 6.7 cents. The daily average use of Gross Class I milk decreased 0.2% compared with December 1964 and increased 1.6% compared with January 1964.

Daily average delivery of milk from producers was 596,941 pounds in January 1965, an increase of 19,379 pounds per day compared with December 1964 and an increase of 64,625 pounds compared with January 1964. Percentage-wise, January deliveries increased 3.4% compared with December 1964 and increased 12.1% compared with Jan. 1964.

MILK SAMPLES TESTED - Producer Fresh Samples 5,503 - Handler Finished Products 228.

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(Thousand Pounds)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Jan. '65 Over Jan. '64	Jan. 1965	Dec. 1964	Jan. 1964
Number of Plants (Pool and Non-Pool)		12	12	13
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Total Producer Milk	+ 12.1	596,941	577,562	532,316
Other Source	+ 7.1	14,517	15,131	13,554
Other Order	+ 6.8	23,894	17,083	22,367
Total Milk Receipts	+ 11.8	635,352	609,776	568,237
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+ 1.0	404,142	407,227	400,281
Fluid Skim	- 4.2	23,407	23,355	24,439
Buttermilk	- 4.0	43,034	41,893	44,820
Flavored Milk and Drink	- 6.7	10,883	11,334	11,667
Fluid Cream (Sweet and Sour)	- 7.6	2,605	3,195	2,818
Other (Shrinkage, Inventory, etc.)		762	562	(1,975)
Transfers to Non-Pool Plants		10,191	8,453	5,134
Total Class I Milk	+ 1.6	495,024	496,019	487,184
Class II Uses:				
Ice Cream Mixes		29,467	27,424	19,599
Cottage Cheese		18,200	16,384	20,715
Powdered and Condensed Milk		45,850	38,640	12,207
Livestock Feed & Skim Dumped		5,763	6,106	3,823
Shrinkage Class II		9,079	9,310	9,482
Other (Butter, Inventory, etc.)		14,605	(1,971)	4,369
Transfers to Non-Pool Plants		17,364	17,864	10,858
Total Class II Milk	+ 73.1	140,328	113,757	81,053
Total Class I Pounds in Area	+ 5.7	299,624	285,561	283,539
Total Class I Pounds Outside Area	- 4.0	195,400	210,458	203,645
Gross Class I Butterfat Pounds	+ 4.2	17,756	17,971	17,226
Gross Class II Butterfat Pounds	+ 24.8	8,291	7,454	6,642
Total Butterfat Pounds	+ 9.1	26,047	25,425	23,868
% Producer Milk of Gross Class I		120.6	116.4	109.3
% Producer Milk priced in Class I		82.0	84.8	90.6

FEBRUARY 1965 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Feb. '65	Jan. '65	Feb. '64
Basic Formula	\$3.25	\$3.29	\$3.17
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.02	0.06
Class I Price, 3.5% Butterfat	\$5.00	\$5.06	\$4.98
Per \$ 1090.51(a)			
Supply-Demand Comparison: 1st and 2nd preceding months: December and January			
Supply: Lbs. Producer Milk (Dec. 17,904,403 and Jan. 18,505,164)			36,409,567
Demand: Lbs. Net Class I Milk (Dec. 15,248,399 and Jan. 15,215,904)			30,464,303
Utilization Percentage: Producer milk divided by Class I			120
Standard Utilization Percentage: Range 117-121			120
Net Deviation Percentage: Utilization minus Standard Utilization			-0-
Supply-Demand Adjustment: 2 cents x 0 percentage points			\$0.00

The price is not adjusted by the supply-demand formula, since the supply in relation to the demand is within the standard utilization range of 117-121.

COMPUTATION OF PRODUCER UNIFORM PRICE TO BE USED FOR PAYMENT
OF PRODUCER MILK AND OTHER SOURCE RECEIPTS PRORATED TO CLASS I

JANUARY 1965	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Value
Gross Class I		15,345,730	3.587		
Less Other Source		174,433	2.285		
Producer Milk Class I	82.0	15,171,297	3.601881	\$5.138448	\$779,569.21
Gross Class II		4,350,175	5.908		
Less Other Source		1,016,308	2.445		
Producer Milk Class II	18.0	3,333,867	6.964075	5.440930	181,393.37
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	18,505,164	4.207609		960,962.58
Less Fractional Adjustment					.02
Add Value of Overage					2.67
Add Value of Inventory Reclassified					-
Add Value of Other Source Receipts					
Prorated to Class I and Location Adj.		44,607			1,740.26
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,135.25
TOTAL VALUE AT TEST		18,549,771	4.202289	5.228316	969,840.74
Less Test over 3.5% @ 7.4¢ per point		18,549,771	.702289	0.519694	96,402.05
TOTAL VALUE AT 3.5%		18,549,771	3.5	4.708622	873,438.69
Less Producer-Settlement Fund Reserve		18,549,771		.048622	9,019.27
PRODUCER UNIFORM PRICE f.o.b. POOL PLANTS		18,549,771	3.5	\$4.66	\$864,419.42

JANUARY 1965 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$4.29	3.75	\$4.845	4.5	\$5.40	5.25	\$5.955
3.05	4.327	3.8	4.882	4.55	5.437	5.3	5.992
3.1	4.364	3.85	4.919	4.6	5.474	5.35	6.029
3.15	4.401	3.9	4.956	4.65	5.511	5.4	6.066
3.2	4.438	3.95	4.993	4.7	5.548	5.45	6.103
3.25	4.475	4.0	5.03	4.75	5.585	5.5	6.14
3.3	4.512	4.05	5.067	4.8	5.622	5.55	6.177
3.35	4.549	4.1	5.104	4.85	5.659	5.6	6.214
3.4	4.586	4.15	5.141	4.9	5.696	5.65	6.251
3.45	4.623	4.2	5.178	4.95	5.733	5.7	6.288
3.5	4.66	4.25	5.215	5.0	5.77	5.75	6.325
3.55	4.697	4.3	5.252	5.05	5.807	5.8	6.362
3.6	4.734	4.35	5.289	5.1	5.844	5.85	6.399
3.65	4.771	4.4	5.326	5.15	5.881	5.9	6.436
3.7	4.808	4.45	5.363	5.2	5.918	5.95	6.473

JANUARY 1965 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$ 1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	70.2	546,452	\$0.77	\$420,768.04
Class II	29.8	232,173	0.67	155,555.91
Total	100.0	778,625		\$576,323.95

Total Butterfat value ÷ Total Producer fat pounds = \$0.740182

Producer Butterfat Differential per point variation above or
below 3.5 percent - - - - - \$0.074

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan. '64	\$4.77	-	-	7.2¢	\$4.97	7.5¢	\$3.12	6.7¢
Feb.	4.78	-	-	7.4	4.98	7.5	2.82	6.7
Mar.	4.77 ^{2/}	\$4.92	\$2.71	7.4	5.07	7.5	2.75	6.7
Apr.	4.72 ^{2/}	4.97	2.65	7.4	5.08	7.5	2.69	6.7
May	4.63 ^{2/}	4.89	2.62	7.2	5.07	7.5	2.66	6.7
June	4.78 ^{2/}	5.00	2.62	7.4	5.19	7.5	2.66	6.7
July	4.72 ^{2/}	4.99	2.62	7.4	5.16	7.5	2.66	6.7
Aug.	4.51	-	-	7.2	5.05	7.5	2.66	6.8
Sept.	4.60	-	-	7.6	4.80	7.7	3.26	7.1
Oct.	4.71	-	-	7.8	4.87	8.0	3.23	7.0
Nov.	4.83	-	-	7.8	5.10	7.9	3.30	7.2
Dec.	4.75	-	-	7.8	5.10	8.1	3.18	6.8
Jan. '65	4.66	-	-	7.4	5.06	7.7	3.12	6.7
Feb.	-	-	-	-	5.00	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92 ⁰ Butter ¢ Lb.	Chi.Area Powders ¢ Lb.	
	Milk Mfg.	Powder	\$-cwt-4%	¢ Lb.	¢ Lb.	\$-cwt-3.5%
Jan. '64	2.82	3.12	3.150	57.97	14.30	3.17
Feb.	2.82	3.12	3.150	57.97	14.24	3.16
Mar.	2.75	3.12	3.081	57.97	14.25	3.15
Apr.	2.69	3.12	3.025	57.97	14.19	3.12
May	2.66	3.12	3.000	57.97	14.22	3.12
June	2.66	3.12	3.000	57.97	14.24	3.11
July	2.66	3.12	3.000	58.00	14.23	3.12
Aug.	2.66	3.19	3.000	59.51	14.30	3.15
Sept.	2.72	3.26	3.075	61.32	14.30	3.24
Oct.	2.77	3.23	3.119	60.47	14.29	3.27
Nov.	2.79	3.30	3.150	62.27	14.23	3.29
Dec.	2.81	3.18	3.150	59.24	14.20	3.29
Jan. '65	2.81	3.12	3.144	58.00	14.23	3.25

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA 3/				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base		
Jan. '64	13	568,237	487,184	482,468	532,316	-	683	779	-	-	4.32
Feb.	13	575,767	497,493	491,469	533,555	-	683	781	-	-	4.24
Mar.	13	578,062	476,604	472,818	533,163	498,683	678	786	736	50	4.15
Apr.	13	611,874	485,721	481,865	556,173	499,659	658	845	759	86	4.05
May	13	624,657	467,902	464,241	558,588	497,049	654	854	760	94	3.95
June	13	584,658	452,652	449,792	530,133	482,237	655	809	736	73	3.91
July	13	575,475	450,675	446,512	536,759	476,599	655	819	728	91	3.91
Aug.	13	635,322	466,287	461,263	591,226	-	685	863	-	-	3.94
Sept.	13	654,194	551,079	546,113	618,770	-	683	906	-	-	3.99
Oct.	13	612,364	542,789	537,353	579,109	-	682	849	-	-	4.24
Nov.	13	614,949	507,098	501,079	577,284	-	680	849	-	-	4.24
Dec.	12	609,776	496,019	489,978	577,562	-	681	848	-	-	4.29
Jan. '65	12	635,352	495,024	489,397	596,941	-	679	879	-	-	4.21

^{1/} Excludes Premiums^{2/} For Statistics Only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I

PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MARKETING AREA

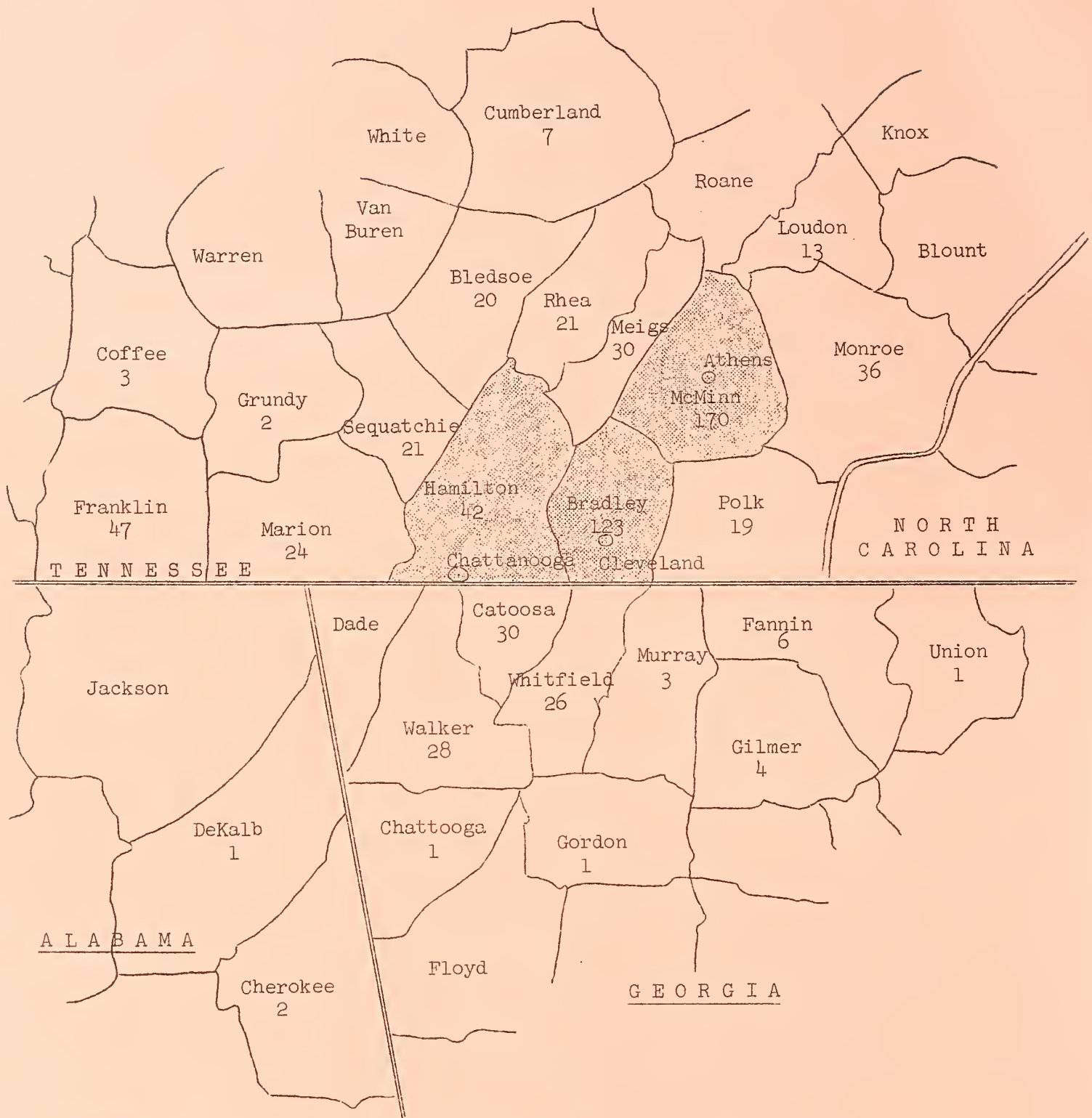
States and Counties	December 1964				December 1963			
	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	390,232	2.18	20	629	354,348	2.20	21	544
Bradley	2,983,538	16.67	123	782	2,708,064	16.82	124	704
Coffee	86,727	.48	3	933	102,441	.64	4	826
Cumberland	188,540	1.05	7	869	147,068	.91	7	678
Franklin 1/	1,302,220	7.27	47	857	977,777	6.07	37	830
Grundy 1/			2				1	
Hamilton	1,303,637	7.29	42	1,001	1,273,608	7.91	44	934
Loudon	406,178	2.27	13	1,008	382,465	2.38	14	881
Marion	436,985	2.44	24	587	429,966	2.67	24	578
McMinn	4,192,959	23.42	170	796	3,663,099	22.76	164	721
Meigs	665,777	3.72	30	716	620,369	3.85	31	646
Monroe	1,144,263	6.39	36	1,025	695,131	4.32	23	975
Polk	501,534	2.80	19	852	539,787	3.35	22	791
Rhea	415,264	2.32	21	638	409,460	2.54	21	629
Sequatchie	562,382	3.14	21	864	496,858	3.09	22	729
Total	14,580,236	81.44	578	814	12,800,441	79.51	559	739
<u>GEORGIA</u>								
Catoosa	982,691	5.48	30	1,057	832,813	5.18	31	867
Fannin	115,685	.65	6	622	116,145	.72	6	625
Gilmer	115,844	.65	4	934	88,227	.55	4	712
Murray	131,922	.74	3	1,419	124,237	.77	3	1,336
Walker	835,966	4.67	28	963	883,585	5.49	31	919
Whitfield	812,943	4.54	26	1,009	721,784	4.48	25	931
Others 2/	147,732	.82	3	1,589	173,949	1.08	5	1,122
Total	3,142,783	17.55	100	1,014	2,940,740	18.27	105	903
<u>ALABAMA</u>								
Cherokee 3/	181,368	1.01	2	1,950			1	
DeKalb 3/			1		208,365	1.30	10	611
Jackson 3/					148,849	.92	8	600
Total	181,368	1.01	3	1,950	357,214	2.22	19	606
TOTAL MARKET	17,904,387	100.00	681	848	16,098,395	100.00	683	760

- 1/ 1964 - Two producers in Grundy County included with Franklin County
 1963 - One producer in Grundy County included with Franklin County
- 2/ 1964 - Includes one (1) producer in each Chattooga, Gordon, and Union Counties
 1963 - Includes producers in Chattooga (1), Gordon (2), and Union (2) Counties
- 3/ 1964 - One producer in DeKalb County included with Cherokee County
 1963 - One producer in Cherokee County included with DeKalb County

CHATTANOOGA MARKETING AREA POOL PLANTS - DECEMBER 1964

<u>Pool Plants</u>	<u>County</u>	<u>Address</u>
Chattanooga Area Milk Prod. Assn.	Hamilton	Chattanooga, Tennessee
Grant-Patten Milk Co., Inc.	Hamilton	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Walker	Rossville, Georgia
Home Stores, Inc.	Hamilton	Chattanooga, Tennessee
Mayfield Dairy Farms, Inc.	McMinn	Athens, Tennessee
Ray Moss Farms, Inc.	Hamilton	Chattanooga, Tennessee
Paramount Dairies, Inc.	Whitfield	Dalton, Georgia
Sealtest Foods-Southern Division	Hamilton	Chattanooga, Tennessee

CHATTANOOGA AREA MILKSHED - DECEMBER 1964



CHATTANOOGA MILK MARKETING AREA - As defined in Federal Order No. 90 includes all the territory within the boundaries of Bradley, Hamilton, and McMinn Counties Tennessee. The milkshed includes counties listed and number of producers per county as of December 1964. There was a total of 681 producers delivering milk to the Chattanooga market during December 1964.